



CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

October 16, 1998

S. 414

Ocean Shipping Reform Act of 1998

As cleared by the Congress on October 1, 1998

S. 414 would amend the Shipping Act of 1984 and other laws that govern the regulation of ocean shipping by the Federal Maritime Commission (FMC). Some of these amendments would make significant changes in how the FMC regulates ocean shipping, particularly with respect to oversight of common carrier rates, terms, and conditions for services. In particular, section 107 would repeal 46 App. United States Code 1707(a) which requires the FMC to collect and disseminate to the public all tariffs and other information through an automated tariff filing and information system (ATFI). This provision would free common carriers and conferences from having to file tariffs with the FMC and would terminate the agency's responsibility to make tariff information available electronically. As a result, the Treasury would lose nearly all of the \$0.8 million it collects annually from tariff filing fees, remote access charges, and sales of ATFI tapes.

The loss of revenues generated by ATFI would be partially offset by increased collections of license application fees resulting from section 115. This section would change licensing and financial security requirements imposed on non-vessel-operating common carriers (NVOCCs) to be more consistent with those on ocean freight forwarders. As a result of changes made by section 115, NVOCCs would have to obtain licenses as ocean transportation intermediaries. We estimate that revenues from such licenses would be about \$1.4 million in 1999 for initial applications and about \$0.2 million annually thereafter for new applications and license amendments. Certain provisions relating to penalties could also result in additional revenues, but these are likely to be minimal.

The net effect of the bill on federal revenues would be an increase of about \$1 million in 1999 and a loss of a similar amount each year thereafter, as shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays					Not applicable					
Changes in receipts	1	-1	-1	-1	-1	-1	-1	-1	-1	-1

The CBO staff contact for this estimate is Deborah Reis. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.